G.R. S. 58]

Previous references. 1924-25 File No. 1-24

Serial Nos. 4

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1

Part B for November 1924.

SUBJECT

Resource Estimate for the months of November & December 1924.

C.A. 1-24-4

No 751 Books dated 19-11-24

FINANCIAL SECRETARIAT
20 NOV 1924
NO 1882

Resource Estimate for the months of November and December 1924.

The cash position in India during the current and the next two months is calculated in the enclosed estimate. It will be seen from it that the balances at end of December 1924 and January 1925 are expected to be 9,09 and 20,00 lakhs less than the absolute minimum required to run the treasuries with, as detailed in the margin.

Treasuries	December 24	Jan. 25
Mysore Bank, Imperial Bank of India, Bangalore, and Bombay.	27.00	26,00
	10.00	10.00
Constant minimum to be kept with Mysore Banks	5.00	5.00
	42,00	41,00

At the time we renewed the fixed deposit of 10 lakhs with the Bank of Mysore in November 1923 for a further period up to 27th January 1925 for payment of subsidy, it was arranged with the bank to allow us to draw on the current account against this deposit in case of necessity, the interest chargeable being 6 per cent on the daily overdraft balances. The bank has accordingly been written to in the matter and the overdraft arrangement will be availed of by me from the 1st of next month up to a maximum of ten lakhs, up to 27th January 1925, when it will be adjusted from the deposit falling due on that date. Thus the deposit set apart for the payment of the subsidy will be completely utilised for current demands and hence we would be requiring about 25 lakhs of rupees to pay the subsidy at end of January and to take us on till about the last week of February when our revenue collections will begin to flow into our treasuries.

The Bank of Mysore has written to me under date 17th November 1924 to say that as the Imperial Bank of India is not granting advances to banks by way of overdrafts but by loans only fixed for minimum periods of five days, the same procedure will be adopted by it for the advances which we may require

require, with interest at one per cent above the Imperial Bank of India, published rate of interest, which is now six per cent..

now solicit orders of Government to move the Imperial Bank of India, Madras, whether they can allow us overdrafts up to a limit of rupees 25 lakhs, on our current account on the pledge of the Government of India Securities we now hold for this temporary period, and accept the terms of the bank which quotes most favourably. In case the Imperial Bank does not agree to the overdraft arrangement we shall be obliged to go in for a temporary loan for about a month and the transaction will have to be treated in this case as an outright loan transaction.

I may note that if it could be arranged with the Government of India to adjust the amount due to us on account of surplus revenue of the assigned tract towards part payment of the subsidy, the amount of loan required will be correspondingly reduced.

I shall be obliged for very early orders of Government so that I may start negotiations with the Banks early.

for Comptroller.

MSR/19-11

The Financial Secretary to the
Government of Mysore, Bangalore.

The position including the Sterling balance with Banks may be given. Actuals - final and preliminary - on page 4 may be given. It may be stated that surplus Sterling balance shd not be moved to India to avoid overdraft. If any

All demands are pressed for in the
Estimates for Work done & Journey
They may be specified and it may
be stated if in view of their nature
they can not be deferred. We may
consult the Departmental heads and
postpone payment. The year started
with a balance of £44 lakhs and it
may be stated how in spite of
this large amt the pinch is felt

Work Mull 20-11-21

It may also be stated whether in the
event of new or overdraft could
Can not be asked to lend. Borrowing
in London will be cheaper than in
India

1964

U. O. No.....Dated, 24th November 1924.

The actual balance on 1st July 1924 was - Rs.83/- lakhs and not 94 lakhs which isthe - estimated balance as shown in the Budget - Estimates.

The actual and the estimated net outgoings in each month are given under :-

July. . . .	-21,51,	(actuals)
August. . . .	- 74.	(")
September. . .	+6,22	(")
October. . .	- 7,88	(")
November . . .	-15,99	(Estimates)
December. . .	- 9,94	(")
January. . .	-11,16	(")
	-61,00.	

The closing balance at end of January including Sterling Balance with Messrs. Coutts - & Co., is expected to stand at 22 lakhs out of which Rs.5/ lakhs is ineffective as it has to remain with the Bank of Mysore as a constant minimum according to the agreement. The balance available for expenditure is therefore only 17 lakhs. Arrangements have been made for transfer of £35,000/- being the probable balance remaining there to India in the current month. The following large payments have to be made in December/and January 1925.

£ 12,000/-	For Sluice Gates required for K.R.S. Works. The total cost is £24,000/ out of which £12,000/- has been expected to be paid in November.
£ 20,000/-	For aluminium Cables required for the Electrical Department.
£ 32,000/-.	

A sum of £ 20,000/- has been fixed in London till the 7th of next month which, with the surplus receipts in London amounting to about £17,000/- will be required to meet the heavy payments of £32,000/ referrred to above. If the payments are postponed as suggested the amount will be available for remittance to India. We may as suggested, arrange for an over-draft with Messrs. Coutts & Co., London.

COMPTROLLER.

To,

The Financial Secretary to Government,

Bangalore.

CONFIDENTIAL.

OFFICE OF THE COMPTROLLER TO THE GOVT. OF H. H. THE MAHARAJA OF MYSORE,

BUDGET AND RESOURCE.

Dated Bangalore, the 24th November *192* 4.

No. ——
B. & R.

RESOURCE ESTIMATE.

FOR THE MONTHS OF November & December 1924

GENERAL ACCOUNT.

	Current month	Next month	Third month
Opening Balance ..	59.09	43.10	
Receipts—			
Revenue (Sec. A.)	19,07 ✓	17.54 ✓	
Debt Heads (Sec. C)	—	2.12 ✓	
Total ..	78.16	62.76	
Out-goings—			
Expenditure (Sec B.)	30.90 ✓	29.60 ✓	— — —
Debt Heads (Sec. C.)	4.16 ✓	—	
Total ...	35.06	29.60 ✓	
Closing Balance ...	43,10	33,16	22.00
Minimum Balance (Including 5 lakhs to be kept with the Mysore Bank)	42.00	43.00	42.00
Surplus	1.10 ✓	—	— ✓
Deficiency	— —	~~10.16~~ 9.84	20.00

GENERAL REVIEW.

Revenue.

CURRENT AND NEXT MONTH.

A. REVENUE	Actuals, last year		Budget portion		Latest estimates, current year		Remarks
	Current month	Next month	Current month	Next month	Current month	Next month	
Principal Heads of Revenue—	Novemb	Decemb	Novemb	Decemb	Novemb	Decemb	
Land Revenue	149	95	160	130	155	120	
Forest—(a) Supplies to sandal oil Factories	-363	-11			-150	-150	
(*b*) Other Revenue	170	86	215	200	100	80	
Excise	546	482	550	500	500	500	
ncome and Miscellaneous taxes ..	42	66	92	62	90	60	
Stamps	140	140	140	140	140	140	
Registration	21	16	24	18	24	18	
Surplus Revenue of Assigned Tract							
Mining Revenue	124	105	120	110	115	115	
Interest	18	87	11	50	20	41	
Cauvery Power Scheme (Net) Indus Engr.	89 176	88 224	300	350	300	300	
Railways . (Net) ..	81	221	67	53	70	70	
~~*Sandal Oil Factory*~~ (Net) ...							
Other Revenue	55	217	55	158	55	160	
Capital Receipt Interest					188		✓
Total Revenue ..	1248	1816	1734	1771	1907	1754	
B. EXPENDITURE.							
Palace	167	166	150	150	250	150	
Subsidy							
Public Works	211	224	209	205	250	250	
Capital other than Railways ..	100	94	492	474	390	710	
Railways—~~Revenue~~ Capital ..	37	148			250	250	
~~*Railways—Capital*~~							
Other Expenditure	1834	1607	1944	1581	1950	1600	
Total Expenditure ..	2275	2239	2795	2410	3090	2960	
C. DEBT HEADS—(Net transactions).							
Investment Account	-951	+73				+500	✓ Fixed deposit with the Mysore Bank
Debt							
Unfunded Debt	-16	+12	+68	+32	-16	+12	
Local and other Funds	-106	-157	-108	-124	-300	-200	
Deposits, Advances and Loans ...	+228	-110	-11	-104	-100	-100	
Account with the Accountant-General	-9	+298					
Remittances	-47	-518					
Total Debt Heads (Net)...	-901	-403	-51	-196	-416	+212	

PROGRESSIVE FIGURES.

	Actuals up to month before last August	Preliminary actuals, last month Sept Oct	Estimates: Current month Nov.	Estimates: Next month Dec	Progressive total to end of next month	Budget portion	Remarks
A. REVENUE.							
Principal Heads of Revenue—							
Land Revenue	3.61	1.79 1.80	1.55	1.20	9.95	9.60	
Forest— (*a*) ~~Supplies to~~ Sandal Oil Factories	5.31	2.06 2.08	1.50	1.50	13.93	13.10	
(*b*) Other Revenue ...	2.73	57 50	100	80			
Excise	10.36	4.88 5.70	5.00	5.00	30.94	32.80	
Income and Miscellaneous taxes...	1.34	27 28	90	60	339	477	
Stamps	3.36	1.53 1.42	1.40	1.40	9.11	8.60	
Registration	57	24 25	24	18	148	140	
Surplus Revenue of Assigned Tract ...	-	-	-	-	-	-	
Mining Revenue	2.27	1.22 1.18	1.15	1.15	6.97	6.91	
Interest ...	10	1.16 53	2.0	41	2.40	3.86	
Cauvery Power Scheme (Net) ...	6.96	2.72 3.21	3.00	3.00	18.89	18.60	
Railways .. (Net) ...	2.22	66 170	70	70	5.98	5.57	
~~*Sandal Oil Factory*~~ (Net) ...							
Other Revenue ...	1.31	1.25 1.25	1.88	1.60	5.96	4.65	
Capital Receipt (Interest)							
Total Revenue ...	40.14	14.23 19.90	19.07	17.54	1.10.88	1.09.86	
B. EXPENDITURE.							
Palace	8.50	2.50 1.62	2.50	1.50	16.62	15.00	
Subsidy	-	- -	-	-	-	-	
Public Works ...	2.98	1.65 2.00	2.50	2.50	11.63	11.64	
Capital other than Railways ...	3.63	1.39 7.66	3.90	7.10	26.66	27.36	
~~*Railways—Revenue*~~ ...				-			
Railways—Capital	48	50 2.00	2.50	2.50			
Other Expenditure	41.73	15.42 19.00	19.50	16.00	111.65	110.11	
Total Expenditure ...	57.32	21.44 27.28	30.90	29.60	166.56	164.11	
C. DEBT HEADS—(Net transactions)							
Investment Account	-7.46	+10.00 ~~-3.32~~	~~-3.32~~	+5.00	+4.32	-	
Debt	-	- -	-	-	-	-	
Unfunded Debt	+3.01	+3.40 +2.00	-16	+12	+8.37	+4.51	
Local and other Funds	+5.54	-70 -2.06	-3.00	-2.00	-2.16	-1.04 ~~-2.16~~	
Deposits, Advances and Loans (Etc.) ...	-4.06	+3.00 2.72	-1.00	-1.00	+3.34	+5.97	
Account with the Accountant-General Madras	+3.83	-2.25			+1.58	-	
Remittances	-5.93	- -	- -	- -	-5.93	-	
Total Debt Heads ...	-5.07	+13.45 -.50	-4.16	+2.12	+5.84	+9.44	

WD 2570—GBP—100—11-7-24.

Serial No.

In his note dated 19th November 1924 the Comptroller has asked for permission to correspond with the Imperial Bank of India to arrange for an over-draft up to a maximum limit of Rs 25 lakhs between now and the end of February next which is the leanest part of our financial year. The calculations made in this note had been based upon Indian balances alone and I accordingly requested him to take into account the sterling balances as well and review the situation once again. This he has done in his note dated 24th November 1924. I have studied the situation with him and find that a temporary accommodation to the extent of between Rs 25 and Rs 30 lakhs will be necessary for meeting all the demands between now and the end of February next when alone revenue collections can be expected to reach the treasury to be available for meeting current disbursements. The chief factor contributing to this strngiency is the lock-up of about Rs 35 lakhs in the working advance account of the Iron Works. There are also other minor factors like the increase in Civil List, larger grants to the University and Education, and advances of various kinds for distress and flood relief purposes.

The Comptroller's proposal is to borrow from the Bank of Mysore on the strength of a fixed deposit maturing on the 27th January 1925

NOTE–Contn. Sheet

and

and in addition to arrange for an over-draft limit of Rs 20 to Rs 25 lakhs in the Imperial Bank. As our current account balances in the Mysore Bank carry interest even from July 1st Dec 2 according to our recent agreement, the Comptroller, with a view to earn more interest, appears to have diverted a large part of his balance to that Bank with the result that he had to draw upon them heavily this month and also had to place himself in the position of having to draw upon them in the next month as well. These heavy withdrawals have naturally caused inconvenience to the Bank and I would, in this connection, invite attention to Mr. Rose's letters dated 14th and 21st November 1924. Mr. Rose requests that, if possible, further drafts on him may not be permitted as he has already been put to considerable inconvenience by the substantial reduction in his blances made by large withdrawals from the Government account.

Serial No.

H & G.

Mr. Rose also states that he is considering with his Directors the question of amending the agreement to prevent embarrasment of this kind to his Bank. This question may be considered after proposals for its solution are received from the Bank. In the meantime, I think it is necessary to afford relief to the Bank by way of minimising our further drawals of the amounts we have kept with it. The present balance of the current account is about Rs 6½ lakhs against the

NOTE—Contn. Sheet

Serial No.

Rs 5 lakhs the constant minimum to be kept there. Further reduction of this balance is undesirable ~~in view of the straits to which the Bank has been reduced.~~ The Comptroller's proposal to borrow upon the fixed deposits of Rs 10 lakhs ~~(of which Rs 5 lakhs will mature on 1st January 1925 and the balance of Rs 10 lakhs,~~ due on the 27th January 1925) made with the Bank of Mysore will also embarrass the Bank in having to find the money to meet our demands and, if possible, it is desirable to save it this inconvenience by permitting the deposits to mature in the usual course and to be withdrawn only on the dates on which they are due for payment.

If other arrangements for finding about Rs 25 lakhs as proposed by the Comptroller are made, I do not think it will be necessary either to further reduce our current account balance with the Bank of Mysore or to borrow upon the fixed deposit of Rs 10 lakhs maturing on the 27th January 1925. For finding about Rs 25 lakhs we may, I think, adopt the following arrangements:-

(1) As proposed by the Comptroller, we may arrange for an over-draft with the Imperial Bank not as proposed by him to the full extent of the amount we want but to the extent of about Rs 10 lakhs. Mr. Rose also proposes in

NOTE—Contn. Sheet his

his letter that whatever accommodation we require we had better obtain from the Imperial Bank as his Bank cannot conveniently afford us this help.

Serial No.

(2) We hold 5½ per cent War Bonds for about Rs 14 lakhs and these bonds we accepted as subscriptions to our loans of 1920 and 1921 at their par value. These issues are selling at a premium and their present yield is, therefore, less than 6 per cent., while the interest we have to pay on amounts that we may have to borrow from the Imperial Bank is not likely to be less than 6 per cent. The present Bank rate is 6 pc and it is bound to rise higher with the progress of the busy season which is now already on.

(3) Out of this holding we may sell bonds of the face value of about Rs 10 lakhs and consider the question of replacing them by other investments about June next when our Treasuries will be in a condition of surplus.

(3) A sum of about Rs 8 lakhs is due to us by the Government of India on account of the current and arrear demands of the surplus revenues of the Civil & Military Station and it is unreasonable of that Government to expect us to pay the first instalment of the subsidy of Rs 17½ lakhs falling due in January next, while about half that amount belonging to us they hold with them. About this time last year

NOTE—Contn. Sheet

Serial No.

year, we were in a similar situation and the pressure that we applied was successful in inducing the Government of India to adjust ~~it~~ against the first instalment of the subsidy ~~of last year~~ a sum of about Rs 11 lakhs ~~xx~~ of which Rs 5 lakhs were on account of the previous years and the balance of Rs 6 lakhs was a part payment towards the surplus of 1922-23 due to us in 1924. The position this year is absolutely the same. If we have to pay the whole of the subsidy of Rs 17½ lakhs in January next, we shall have to increase our borrowings and I think we can well say that we ought not to be expected to borrow to pay our dues while we have a definite claim against the Government of India for a set off.

In the circumstances stated above, the proposals to correspond with the Imperial Bank for arranging for an over-draft of about Rupees 10 lakhs and for selling 5½ per cent. War Bonds of the face value of about Rs 10 lakhs may be sanctioned. As for the adjustment of the surplus of the Station against the subsidy due in January next, we shall wait for about a week more and if we do not hear in reply to the letter which we addressed some days back, we may write again to say that we shall pay up only the balance pending settlement of our

NOTE—Contn. Sheet claim

Serial No.

claim to the arrear amount of Rs 2 lakhs and the current amount of Rs 6 lakhs based upon the Revised estimate of the Station for 1923-24.

The help which the Treasury needs is only for the short period between now and the end of February and even during this period the whole of the over-draft limit may not be utilised if the necessity for it does not arise.

We have heavy payments to make in London as well on account of Sluice Gates ordered for the Krishnarajasagara Dam (£ 24,000) and Aluminium cables, etc. for the Electrical Department (£ 20,000). When these payments fall due, it is not possible to say. If, when they have to be made, there is not suffieient balance with Messrs Coutts & Co., the result will be some over-draft which the Bankers will allow and which will be recouped from our sterling current receipts. In another note which I am submitting today, I have suggested that, if possible, these payments may be held up pending the consideration of a larger question which I have raised in it in regard to financing of our Capital sterling requirements in London under the Trade Facilities Act.

D E W A N.)

Minute 24-11-24

NOTE—Contn. Sheet

General and Revenue Secretariat.

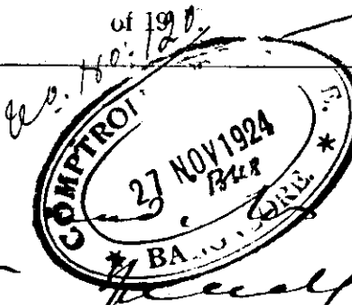
1964

File No.

of 1924

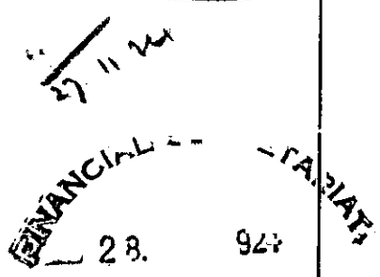
Ex. 1882

Serial No.



agh may be
for payment
Addl. have been
delayed. —
Cheques & orders
may be issued for 2 weeks
2
25-11

Forwarded to the Comptr with
Compts for favour of note and
return.
Sd
26.11.24



V.O No: 788 Books dt/27.11.24.

Noted and returned with compliments.

The total balance in treasuries and banks in India is at present only about 35 lakhs, excluding Rs.5 lakhs of ineffective balance with the Bank of Mysore and it is likely that it may further go down by about Rs.8/- lakhs after meeting payments on account of salaries and establishment during the first week of December. The balance remaining viz., about Rs.27 lakhs is hardly sufficient for the treasuries alone, leaving out the transaction in the Banks. As the question of overdraft has been ordered to be held in abeyance, I request sanction at least for the sale of 5½% War Bonds to the extent of Rs. ten lakhs as proposed in the

NOTE—Contn. Sheet

Financial

G. R. S. III-2.

General and Revenue Secretariat. | File No. of 19

Serial No.

may be kindly accorded
Financial Secretary's Note, to enable me to replenish the Treasury and Bank balances.

As it may take about 10 days to negotiate and complete the sale, I solicit the favour of immediate orders.

J. Satyanathayya
Comptroller

RB
27.11

28/11/24

The comptr's proposal may be
S?. 28/11/24

Dewan)

Sanctd
28.11

Forwarded to the comptr with compts
for note of Dewan's orders and
return of the file. 28/11/24

15th 28th

No 811 Bodies 29-11-24
Noted and returned with
compliments.

J Satyanathayya
29-11-24

NOTE—Contn. sheet.

File
29/11

The Bank of Mysore Ltd.

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."
CODE — 6TH EDITION A.B.C.

ALL COMMUNICATIONS TO BE ADDRESSED
TO THE MANAGER.

D.O.
No.....

Bangalore 14th Novr. '24.

CONFIDENTIAL.

re. Proposed modification of Government Agreement with the Bank.

Dear Mr. Krishna Rao,

Thanks for yours of the 14th instant. As requested I enclose a copy of the memo prepared by me which is tentative and intended to form the basis of a personal discussion with you and when I could explain to you the inconvenience and hardship caused to the Bank by the present arrangement.

With kind regards,

Yours sincerely,

Rajakaryaprasakta
K. N. Krishna Rao, Esq., B.A.,
Financial Secretary to Govt.,
Bangalore.

Statement "B".

If the Government were to keep a larger sum than Rs.10 lakhs at credit in account, add the following Clause to the proposed modification mentioned in Statement "A" after the words "not to exceed Rs. 4 lakhs:"

"The Bank may however prepared to accept funds in excess of the maximum balance of Rs.10 lakhs on the conditions that all withdrawals, otherwise than out of the fixed maximum balance of Rs.10 lakhs, must be subject to 30 days notice and the total of such additional withdrawals are not to exceed Rs. 4 lakhs during any one month".

The amended clauses will then read as follows:-

Clause 7. The Government will continue its current account with the Bank's Head Office in Bangalore and undertake to keep a constant minimum balance of Rs.5 lakhs at the credit of this account.

The Bank has the option to limit the maximum amount which it may hold at credit of the account of the Government to Rs.10 lakhs inclusive of the constant minimum of Rs.5 lakhs. No withdrawals in the aggregate are to exceed Rs.1 lakh in a week, and the total maximum withdrawals in a month are not to exceed Rs. 4 lakhs. The Bank is however prepared to accept funds in excess of the maximum balance of Rs.10 lakhs on the conditions that all withdrawals, otherwise than out of the fixed maximum balance of Rs.10 lakhs, must be subject to 30 days notice and the total of su-ch additional withdrawals are not to exceed Rs. 4 lakhs during any one month.

Clause 8. The Bank agrees to pay interest on the monthly minimum balances of the current account as follows, but subject to the due fulfilment of the conditions mentioned in clause 7 relating to maximum withdrawals, and the keeping of a constant minimum balance of Rs.5 lakhs at credit of account. No interest is to be allowed in current account for the half year during which any of these conditions are not fulfilled:-

Period.	Rate of interest per annum.
January to March ...	Two per cent below the Bank rate of the Imperial Bank of India, subject to a maximum of 6 per cent.
April to December ...	Two and a half per cent.

Statement "A"

Present Clause.	Proposed modification of Agreement between the Government of Mysore and the Bank of Mysore, Ltd., for the performance of the business of the former entrusted to the latter.
Clause 7. The Government will continue its current account with the Bank's Head Office in Bangalore and undertake to keep a constant minimum balance of Rs.5 lakhs at the credit of this account. The Bank has the option to limit the maximum amount which it may hold at credit of the account of the Government to "Rs.20 lakhs" inclusive of the constant minimum of Rs.5 lakhs. (For withdrawals exceeding in the aggregate Rs.2 lakhs in a week, a week's notice will ordinarily be given by the Government except on occasions of emergencies when demands cannot be foreseen a week before).	No change for this. For the words "Rs.20 lakhs" substitute "Rs.10 lakhs". Delete the sentence beginning "For withdrawals exceeding" down to the end of the clause, and substitute "No withdrawals are to exceed Rs.1 lakh in a week, and the total maximum withdrawals in a month are not to exceed Rs.4 lakhs".
Clause 8. The Bank agrees to pay interest on the monthly minimum balances of the "current account as follows":- Period. — Rate of interest per annum. January to March — Two per cent below the Bank rate of the Imperial Bank of India subject to a maximum of 6%. April to December — Two and a half per cent.	After the words "current account as follows", add "but subject to the due fulfilment of the conditions mentioned in clause 7 relating to maximum withdrawals and the keeping of a constant minimum balance of Rs.5 lakhs at credit of account. No interest is to be allowed in current account for the half year during which any of these conditions are not fulfilled".

ALL COMMUNICATIONS TO BE ADDRESSED
TO THE MANAGER.
TELEGRAPHIC ADDRESS: "MYSOREBANK"

The Bank of Mysore, Ltd.

POST BOX No. 37

Bangalore, 17th November '24.

No. C. 23/1119

To

The Comptroller,
Government of Mysore,
Bangalore.

Reference:-

1. Your D. O. No.688 dated 7th November '24 intimating possible withdrawals of Rs.5 lakhs during November '24.

2. Your letter No.715 dated 12th November '24 stating that the withdrawals during the months of December '24 and January '25 may result in an overdraft and requesting the Bank to meet drawings to the extent necessary on the cover of the Fixed Deposit for Rs.10 lakhs due 27th January 1925.

3. Your letter No.728 dated 15th November '24 informing the Bank that the sum of Rs.3 lakhs may be required during the ensuing week, i.e., 15th to 22nd November.

Dear Sir,

As it is somewhat difficult to our mind to exactly note ~~that~~ what the Government withdrawals will be during the months of November and December '24 and January '25, I will thank you to kindly let me know definitely, and as early as possible, the total amounts of your monthly withdrawals separately to enable me to make timely arrangements to meet the heavy Government withdrawals contemplated. Kindly therefore inform me

on the following points:-

(a) Is your demand for the month of November, as mentioned in your letter No.728 of the 15th November '24, inclusive of the amount mentioned in your letter No.688 of the 7th instant?

(b) In your letter No.715 dated 12th instant you state the drawings on the Dewan's account may likely result in an overdraft during December 1924 and January 1925 and request the Bank to meet drawings to the "extent necessary" on the cover of the Fixed Deposit of Rs.10 lakhs due in January 1925. The request for an overdraft to the "extent necessary" is somewhat indefinite, and it is necessary to know whether your total withdrawals will aggregate Rs.10 lakhs, i.e., the full extent of the present Government credit balance of Rs.4,76,000/- plus an overdraft of Rs.5,24,000/-, or that you require an overdraft to the extent of Rs.10 lakhs after the withdrawal of the entire balance of Rs.4,76,000/- now at credit of the Dewan's account (i.e., Rs.9,76,000/- less Rs.5 lakhs, the fixed constant balance Government have undertaken to keep in the Bank under Clause 7 of its agreement) or in all Rs.14,76,000/-. There is, I trust,

no contemplation in your mind of any withdrawal of this constant minimum balance, as such action would undoubtedly contravene the terms of the agreement.

The Government deposits falling due during the months of December '24 and January '25 aggregate Rs.20 lakhs, and it is presumed that the respective amounts will be credited to the Dewan's account in repayment of any advance granted by the Bank.

I would take this opportunity to inform you that as the Imperial Bank of India are not granting advances to Banks by way of overdrafts but by loans only fixed for a minimum periods of 5 days, the same procedure will be adopted by us for the advances which the Government may require, with interest at 1% above the Imperial Bank of India published rate of interest.

Yours faithfully,

Sd/- W. C. Rose,

MANAGER.

C. 23/1120.

Copy to Rajakaryaprasakta M. N. Krishna Rao, Esq., for kind information in continuation of Manager's D.O. letter of the 6th instant.

MANAGER.

1963

The Bank of Mysore Ltd.,

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."
CODE — 5TH EDITION A.B.C.

All communications to be addressed
TO THE MANAGER.

Bangalore 21st November '24.

No D. O.

Dear Mr. Krishna Rao,

I now beg to enclose copy of the Comptroller's letter No.737 dated 18th November 1924 in reply to my letter of the 17th November '24 a copy of which I have already forwarded to you. From the Comptroller's letter you will observe that the balance of his drawings on the Bank for this month (November), after the 9 lakhs already withdrawn during the month, is expected to be Rs.5 lakhs (of which 3 lakhs have already been taken) and another 5 lakhs during each of the months of December '24 and January '25, in addition to Rs.10 lakhs of overdrawal against the Government Deposit maturing in January '25. Thus the aggregate withdrawals of the Government for the months of November and December '24 and January '25 will total Rs.34 lakhs. It will not be difficult for you to realize how this total withdrawal of all Government funds (excluding the bare 10 lakhs of concession deposits), not to mention the demand for an overdrawal of Rs.10 lakhs,

from the Bank at a time when the demands on the Bank for accommodation are heaviest, must cripple my working - resulting in great inconvenience to merchants expecting the customary financial assistance for the movement of crops during the next 3 months, and which this year promise to be bumper ones. Is it possible for you to kindly arrange for the overdrawal of Rs.10 lakhs which the Comptroller requires, to be taken from the Imperial Bank of India where possibly the Government have larger deposits, as well as for the Comptroller to maintain a few lakhs in the Dewan's account? The Government balance to-day amounts to Rs.1,59,951/-, after allowing for the stipulated Rs.5 lakhs constant minimum balance, and which will result in an overdrawal if the further Rs.2 lakhs for this month are withdrawan.

Pardon my troubling you, but I trust you will be able to ease my position considerably during these next few months.

Yours sincerely,

Rajakaryaprasakta M. N. Krishna Rao, Esq., B.A.,
Financial Secretary to Government,
Bangalore.

Letter No.737/Books dated 18th November 1924 from the Comptroller, Government of Mysore, Bangalore, to the Manager, Bank of Mysore, Ltd., Bangalore.

With reference to your letter No.C.23/1119 dated 17th November 1924, I have the honour to state as follows:-

re. my drawals in the Current month:-

The estimate of 5 lakhs advised in my D. O. letter No.688/Books dated 7th November 1924, includes the sum of Rs.3 lakhs referred to in my letter No.728/Books dated 15th November 1924. I now request you to kindly transfer this sum of Rs.3 lakhs to-morrow (19th November 1924) to the credit of the Dewan's Deposit Account with the Imperial Bank of India, Bangalore, under advice to me in due course.

Estimate of my Drawings on your Bank during December 1924 and January 1925.

I can only furnish this information approximately. I may require Rs five lakhs in December and another five lakhs in January 1925. The constant minimum of Rs.5 lakhs will not be drawn.

Fixed Deposits falling due during December 1924 and January 1925.

The amounts of the above together with interest may kindly be credited to the Government account with your Bank on the due dates subject however to the understanding that they will be available for withdrawal at any time in addition to the requirements referred to above, but any overdraft remaining on 27th January 1925 may be adjusted from the Deposit of 10 lakhs falling due on that date.

The maximum amount of the overdraft referred to in my letter 715/Books dated 12th November 1924 is for Rs.10 lakhs and this would as already stated, be on the cover of the

Fixed Deposit of Rs.10 lakhs and may run till 27th January 1925, the date of the maturity of the deposit. The overdraft may commence from the 1st of December 1924 and will carry interest at 6 per cent chargeable on the daily ~~xxxxxx~~ overdraft balances as has already been agreed to in your D. O. letter dated 27th November 1923. The above overdraft arrangement does not however affect the constant minimum balance of Rs.5 lakhs which will continue to remain in the current account carrying interest at rates fixed in para 8 of the agreement.

I hope I have made the position clear.

'COPY'

Summary of above withdrawals

Balance during November 24 — Rs 5 lakhs
Withdrawal " December *X* — Rs 5 lakhs
do " January *X* 25 — Rs 5 lakhs

X. These withdrawals are probably against Rs 5 lakhs F/Deposit maturing 14:12:24 + another Rs 5 lakhs on 2:1:25 — Total Rs 15 lakhs

Add Overdrawal agreed upto F/Deposit maturing 27.1.25 — Rs 10 lakhs

= Rs 25 lakhs

Add Withdrawals already made during November — Rs 9 lakhs

Total withdrawals during (illegible) Dec Rly (illegible) — Rs 34 lakh

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

DIARY NO. 956

Bangalore, dated 9th December 1924.

No. 1881/S.B. 24 Bonds

The Financial Secretary is requested to obtain the signature of the Dewan to the accompanying documents as detailed below.

Comptroller.

DEWAN'S OFFICE.
RECD. ON 9. DEC. 1924
Reg. No. Serial No. 4201

Nature of document	Remarks
Government of India 5½ % War Bonds of 1928 for 10 Lacs of rupees.	The endorsements on the bonds in favour of the Eastern Bank (Bombay) The Bonds may be kindly got signed by the Dewan and returned immediately, as they are to be sent to the Bank of Mysore in Bangalore for sale. Connected papers are also enclosed for reference.

Received bonds for ten lacs only
9/12/24

Bonds. Nos. —

H 000 446	Rs. 5,000/-
017 702	10,000
K 000 192	25,000
K 000 191	25,000
K 001153	25,000
K 000 833	25,000
K 001154	25,000
018 386	50,000
018 423	50,000
018 424	50,000
018 427	50,000
M 000 493	50,000
019 136	50,000
018 166	50,000
018 167	50,000
018 187	50,000
M 000 418	50,000
M 000 420	50,000
	10,00,000

B. F. 7,00,000

421

017 953	50,000
018 272	50,000
017 945	50,000
018 274	50,000
017 947	50,000
M 000 414	50,000
	10,00,000

Sd for signature to the Endorsements on the bonds & Sanction to the Issue was communicated to Comptr in file flagged H.

9/12

Fr. 4205

(1) Cash

(2) Vide Vicerois Secy reference

9.12

(1) No. Under orders communicated to him the complete has already arranged for sale. & has recd intimation today to say that 5 lakhs have been sold

(2) This will be reduced temporarily and the deficiency has to be made good from fresh purchases made in the Cash Surplus

Season:

The signed bonds have been returned to Comptr as he wanted some changes made in the bonds to be dispatched to Bombay with

9.12.24

16/1/25

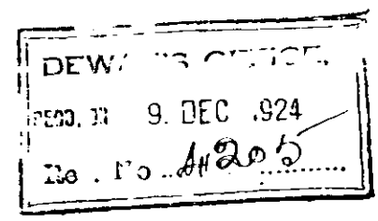
17-1-25

(2)

G.R.S. III—31

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for **permanent record.**]



N.B.—Should routine notes be written on small slips the notes must be copied, or slips pasted on this form

The Bank of Mysore Ltd.

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."
CODE - 5TH EDITION A.B.C.
ALL COMMUNICATIONS TO BE ADDRESSED
TO THE MANAGER.

Bangalore 9th Decr. '24.

No. D.O.

re. Sale of 10 lakhs 1928 Bonds.

Dear Mr. Satyaraj Chetty,

A wire just in from our Bombay Brokers advises the sale of 5 lakhs of the above bonds @ 103¼ clear of brokerage and Bank's commission, and they hope to sell the remaining 5 lakhs. They have wired for the bonds to be forwarded to-day ; so kindly get the Dewan to sign same early so that the bonds may go forward by this evening's mail.

Yours sincerely,

T. Satyaraj Chetty, Esq., B.A.,
Comptroller, Govt. of Mysore,
Bangalore.

ALL COMMUNICATIONS TO BE ADDRESSED
TO THE MANAGER.
TELEGRAPHIC ADDRESS: "MYSOREBANK"

The Bank of Mysore, Ltd.

POST BOX No. 37

Bangalore, 9th December 1924.

No. D. C.

Dear Mr. Satyaraj Chetty,

As personally instructed by you on the 6th inst., I have requested our Bombay Brokers to sell 10 lakhs of 1928 Bonds (5½%) at best rate limit 103% clear, and now await their reply as to their being able to put through the order or 50% of it in a week's time.

I am sending you Rs.10 lakhs of Bonds, by the bearer, for you to obtain the signature of the Dewan thereto and thus be ready to post the Bonds to Bombay immediately on receipt of a telegraphic message that the order has been executed.

Yours sincerely,

To

T. Satyaraj Chetty Esq., B. A.,
Comptroller to the Government
of His Highness the Maharaja of Mysore,
BANGALORE.